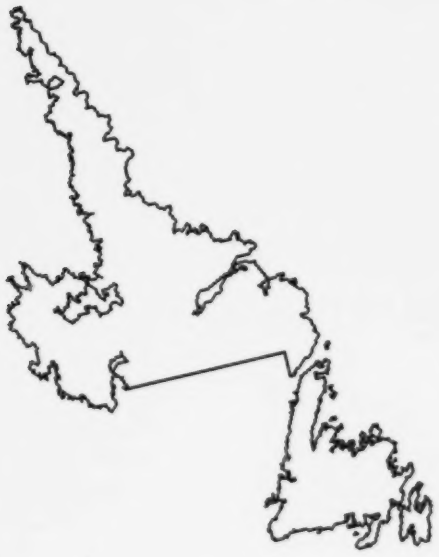

mcp

Newfoundland Medical Care Commission

ANNUAL REPORT

For the Year Ended
March 31, 1997

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NEWFOUNDLAND & LABRADOR 1997

103-04053/

GOVERNMENT OF
NEWFOUNDLAND AND LABRADOR

Department of Health

Office of the Minister

St. John's, September, 1997

TO THE HONOURABLE ARTHUR MAXWELL HOUSE, C.M., M.D., FRCPC
Lieutenant-Governor of Newfoundland and Labrador

May it please your Honour:

I have the honour to present the Annual Report of the Newfoundland Medical Care Commission for the year ended March 31, 1997.

Your obedient servant,

JOAN-MARIE AYLWARD
Minister of Health

P.O. Box 8700, West Block, Confederation Building, St. John's, Newfoundland, Canada, A1B 4J6

mcp | **Newfoundland Medical Care Commission**
Elizabeth Towers, 100 Elizabeth Avenue
P O Box 200
St. John's, Newfoundland, Canada
A1C 5J3

St. John's, September 1997

TO THE HONOURABLE JOAN-MARIE AYLWARD
Minister of Health

Honourable Madam:

I am pleased to present the Annual Report of the Newfoundland Medical Care Commission for the year ended March 31, 1997.

Respectfully submitted,

ROGER M. CROSBIE
Chairman

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DEFINITION OF TERMS

TERM	EXPLANATION
Co-Pay Amount	An amount payable by a beneficiary to a dentist for services provided under the Dental Health Plan. This amount is in addition to that payable by the Plan.
Fee-for-Service	A classification given to those physicians who submit claims to the Commission for services provided to beneficiaries of the Medical Care Plan. Payments made to fee-for-service physicians are in accordance with a schedule of fees.
Global Capping	A restraint measure applied to all fee-for-service and sessional payments to physicians if the total payments exceed the fixed budget for medical services.
Income Proration	A reduction in income applied to individual physicians whose billings exceed established thresholds.
Locums	Physicians who are retained by another physician or a hospital to provide relief for physicians who are on leave as a result of vacation, illness or other absence.
Out-of-Province Claim	A claim made by a beneficiary for reimbursement of medical care costs incurred while outside the Province of Newfoundland.
Providers	Physicians and dentists who are registered with the Plan and provide medical and dental services to beneficiaries.
Reciprocal Agreement	An agreement between all of the Canadian Provinces and Territories (except Quebec), allowing residents from other provinces to receive medical treatment in another province, with the medical costs paid by their home province. The host province will pay the physicians as if the patient was a resident of that province. The patient's home province will then be billed for the cost of the medical services paid by the host province.
Service Units	Units of medical and dental service received by a beneficiary. For example, a visit to a physician's office is one unit of service; five days of hospital care would be counted as five units of service.
Sessional Payments	Payments made to physicians on a per diem basis in lieu of fee-for-service payments. Sessional arrangement applications must receive prior approval and are made when fee-for-service claims are not feasible or practical.
Utilization Patterns	Patterns of practice for a physician or patterns of utilization for a beneficiary.

INTRODUCTION

This is the twenty-eighth Annual Report of the Newfoundland Medical Care Commission, submitted to The Honourable Minister of Health in accordance with Section 35 of the *Medical Care Insurance Act*.

This report describes the coverage provided under the Medical Care Plan and the Dental Health Plan, and the results of the Commission's operations for the fiscal year ended March 31, 1997. Information is also provided on the structure and function of the Newfoundland Medical Care Commission, its committees and various internal departments. An organization chart is presented on Page 7.

Audited financial statements are also presented in this Report, in addition to statistical tables, which provide details on the costs and volumes of transactions processed by the Commission under the Medical Care Plan and the Dental Health Plan.

HIGHLIGHTS OF 1996/97 REPORT

- The Commission developed a formal operational plan to identify short-term objectives and projects to guide its operation during the year.
- The computer-based Provider Practice Profiles System was developed by the Audit Department.
- Proposed changes to beneficiary eligibility criteria and regulations were prepared and are ready to be enacted upon amendment of the Medical Care Insurance Beneficiaries and Inquiries Regulations.
- Negotiations began with the medical profession for a major rewrite of the MCP Payment Schedule for insured medical services.
- The development of a microcomputer-based, key-entry system was initiated for paper claim processing as a replacement for the optical character reader.
- Two audit analysts were recruited to increase the effectiveness of the Audit Department.
- Costs of insured medical services increased by 1.28% to $112,512,486. The number of service units increased by 0.4% to 5,128,200. Proration and global capping continued during the year, resulting in $1,937,000 being withheld from payments to providers.
- Commission administration expenses decreased by 6.8% to $4,188,630. This represents 2.8% of the total program costs.

THE NEWFOUNDLAND MEDICAL CARE PLAN AND DENTAL HEALTH PLAN

The Newfoundland Medical Care Plan (MCP) provides coverage to bona fide residents of the Province for medical care and certain surgical-dental procedures performed in hospital.

A separate Dental Health Plan provides specific dental services to children up to age twelve. Certain dental services are provided to recipients of social assistance.

The plans are administered by the Newfoundland Medical Care Commission in accordance with the *Medical Care Insurance Act*, Chapter M-5, Revised Statutes of Newfoundland, 1990.

Beneficiaries have the right to choose which provider they consult. Providers also have the right to choose whether to accept a beneficiary as a patient.

Providers who treat beneficiaries may submit claims for the insured services rendered directly to the Commission. Such claims must be in accordance with an established schedule of fees and will be processed by the Commission against established claim assessment rules.

THE MEDICAL CARE PLAN

The *Medical Care Insurance Insured Services Regulations* stipulates the general categories of medical services covered under the Plan. As at March 31, 1997, the following medical services were insured:

- visits to a physician's office, hospital or beneficiary's residence
- surgical, diagnostic and therapeutic procedures, including anaesthesia
- pre- and post-operative care
- complete maternity care
- radiology interpretive services
- certain medically required surgical-dental procedures performed in hospital by a dentist or oral surgeon

The specific procedures and services covered under the Medical Care Plan are listed in Schedule A (Medical Payment Schedule) and Schedule B (Surgical-Dental Payment Schedule) of the *Medical Care Insurance Physicians and Fees Regulations*.

The Insured Services Regulations also lists specific services which are <u>not</u> insured under the Medical Care Plan. Some of these services include:

- physician advice given by telephone
- drugs and vaccines
- provision of medical appliances
- writing of prescriptions
- preparation of records, reports or certificates
- services available under other provincial or federal legislation
- physician travel time and expenses
- ambulance services or other transportation
- acupuncture and subsequent related services
- examinations not medically necessary or if required by third parties (e.g. annual check-up, employment, pre-school or drivers' medicals, etc.)
- surgery for cosmetic purposes
- physician testimony given in a court
- eye examinations for corrective lenses
- routine, in-hospital, dental extractions
- the difference between general practice and specialist rates for non-referred patients
- services provided by chiropractors, optometrists, podiatrists, naturopaths, osteopaths, physiotherapists, nurses or other paramedical personnel
- newborn circumcisions
- hypnotherapy
- consultations required due to hospital policy
- alcohol/drug treatment outside Canada
- therapeutic abortions performed at a non-approved facility
- sex change surgery, unless recommended by the Clarke Institute of Psychiatry
- in-vitro fertilization and ovarian stimulation and sperm transfer
- reversal of a previous sterilization procedure

(this list has been compiled for information purposes only and is not the official list of uninsured services)

THE DENTAL HEALTH PLAN

The Dental Health Plan comprises a children's dental component and a social assistance component. The children's dental program covers the following basic dental services for all children, up to and including age twelve:

- examinations (at six month intervals)
- cleanings (at 12 month intervals)
- fluoride applications (ages six to 12 at 12 month intervals), except in areas where the School Rinse Program is in place
- x-rays (with some limitations)
- fillings and extractions
- other specific procedures which require approval before treatment

These basic services are also available under the social assistance component to recipients of social assistance who are 13 to 17 years of age. Adult recipients of social assistance are eligible for emergency care and extractions only.

Each beneficiary covered by the Dental Health Plan must pay a variable amount directly to the dentist for each service provided (e.g., fillings, extractions, etc). Where a beneficiary is in receipt of social assistance, this co-payment fee is paid by the Dental Health Plan under the social assistance component.

THE COMMISSION

Established in 1968, the Newfoundland Medical Care Commission's main role is to administer the health programs under its jurisdiction in accordance with the provisions of the *Medical Care Insurance Act* and supporting Regulations.

At March 31, 1997, the Board of the Commission comprised ten voting members, representing various areas of the Province, and two non-voting ex-officio members. Three of the voting members were appointed by the Minister of Health from a list of nominees submitted by the Newfoundland and Labrador Medical Association (NLMA). Board members hold office for a term prescribed by the Lieutenant-Governor in Council.

The Commission Board members at March 31, 1997, were:

Chairman	Roger Crosbie
Vice-Chairman	John Gover
Members	David Brown Dr. Benvon Cramer Dr. Harold Crewe Jamie Martin Dr. Gillian Peters Donald Powell Robin Russell Dr. Harold Wight
Ex-officio Members	Robert Peddigrew, Commission Executive Director
	Dr. Robert Williams, Deputy Minister of Health

The Commission's Board generally meets on a monthly basis to deal with a variety of issues affecting the Medical Care and Dental Health Plans. Among these are policy formulation; financial statement review; amendments to the Act and Regulations; sessional payment requests; audit reports; and various business proposals and reports submitted by Commission management staff.

COMMITTEES

A number of the Commission's functions are administered by the following standing committees:

Executive Committee

This committee comprises senior staff members of the Commission including the Executive Director; the Medical Director; the Dental Director; the Assistant Executive Director; and the Director of Finance, Audit and Statistics. The committee's major functions include policy development and implementation; strategic and operational planning; development of management practices; and general management of the Commission's operations.

Budget Finance Committee

The primary function of this committee is to prepare and present detailed estimates of revenue and expenditure for all Commission operations. Other responsibilities include monitoring cash flow and review of the report and recommendations of the Auditor General. Members of this committee include the Chairman, the Executive Director, the Director of Finance, Audit and Statistics, the Comptroller, and one other Commission Board Member.

Joint Liaison Committee

With equal representation from both the NLMA and the Commission, the mandate of this committee is to address and resolve general operational and policy issues which are of concern to either or both organizations.

Medical Advisory Committee

This committee, comprising representatives of the NLMA and senior Commission staff, deals with complex or contentious claims. The committee's assessment of these claims, which are non-standard and therefore not listed in the MCP Payment Schedule, has proven to be an acceptable method of resolution for both organizations.

Dental Monitoring Committee

This committee assesses complex or contentious claims, reviews practice profiles, and deals with other issues which affect the Dental Health Plan. The committee is comprised of two representatives selected by the Commission from a list of nominees submitted by the Newfoundland Dental Association, and two dentists appointed by the Commission.

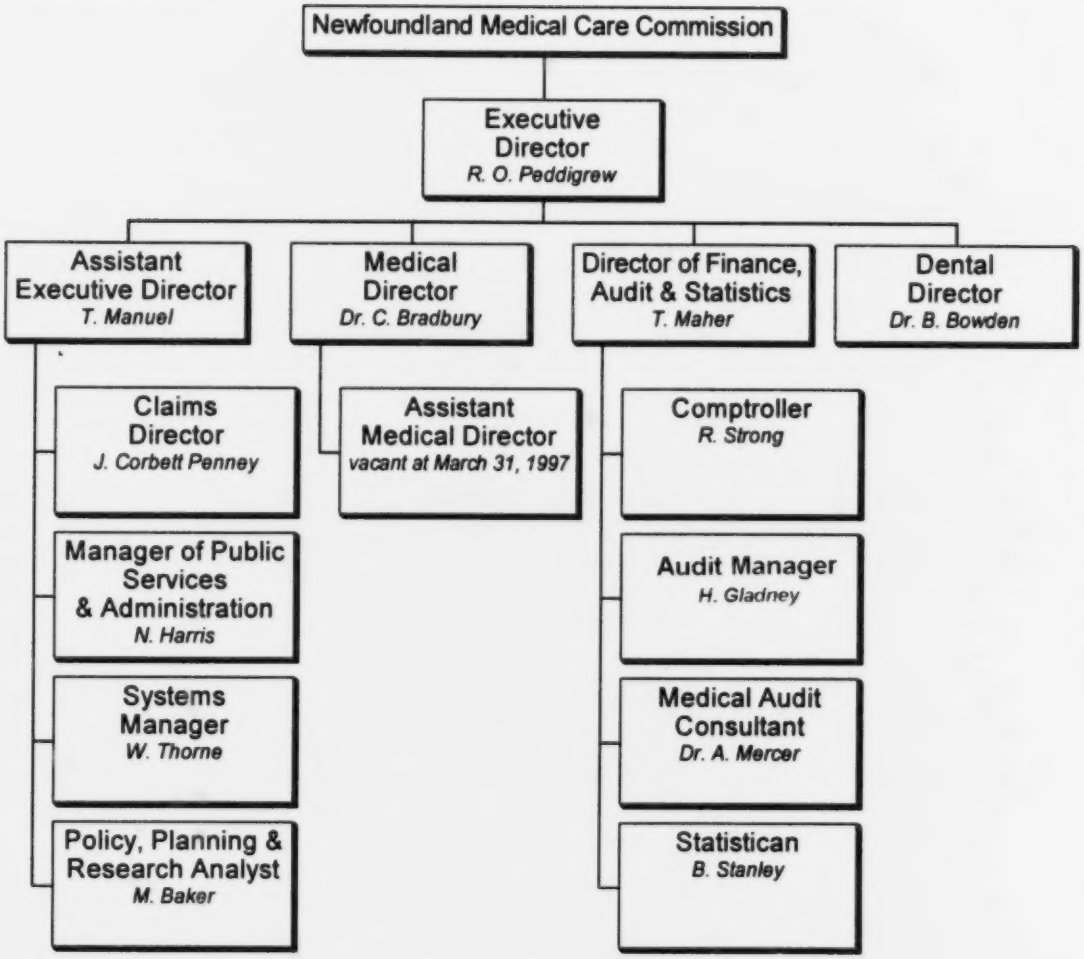
Negotiating Committee

The mandate of this committee is to review and negotiate fees, funding allocations, preamble language and other conditions affecting payment of claims with the NLMA. The committee is comprised of the Chairman, the Executive Director, and senior Commission staff.

Medical Consultants' Committee

The primary objective of this committee is to develop and implement measures for effectively dealing with individuals who overutilize, misbill or otherwise abuse the Medical Care Program. The committee is comprised primarily of physicians, five of whom are nominated by the NLMA.

ORGANIZATION CHART



SENIOR MANAGEMENT

The ***Executive Director***, as the chief executive officer of the Commission, is responsible for the general direction, management and control of the business of the Commission. He is an ex-officio member of the Commission's Board and reports to it through the Chairman.

The ***Assistant Executive Director*** is responsible for the operations of the Commission. This includes the claims processing, computer systems, beneficiary registration, and administration functions. This position is also responsible for planning, research and implementation of Commission policies. Other responsibilities include the handling of special projects and assuming a major role in the redevelopment of computer-based claims processing and registration systems.

The ***Medical Director*** and ***Dental Director*** act as chief liaison officers in dealing with the medical and dental professions. They provide advice to the Commission in development of assessment policies and are responsible for adjudication of complex claims. Other responsibilities include payment schedule negotiations and provision of advice to practitioners on schedule interpretation, billing and claims assessment policies.

The ***Director of Finance, Audit and Statistics*** is accountable for the overall financial, auditing and statistical reporting functions of the Commission. This includes the management, planning, development, implementation and maintenance of all financial and budgeting activities of the Commission; the detailed auditing of claims paid; and the application of professional statistical methods and principles in the conduct of specialized statistical studies.

DEPARTMENTAL RESPONSIBILITIES

The ***Claims Processing Department*** is responsible for the processing and assessment of claims for all medical and dental services. It also provides assistance and training for providers' office staff in the area of claims preparation and submission.

The ***Systems Department*** is responsible for the development, implementation, production, security, and operation of computer-based systems, communications, network services and systems performance management for the Commission. The processing of claims, and related activities, is done on the NewTel Information Solutions Limited's mainframe computer facility. The Department also operates in-house microcomputer-based networks to serve all staff and to receive claims submitted electronically. Other responsibilities include the acquisition, support and maintenance of microcomputer hardware and software, efficient operation of the Electronic Claims Submission System, and support for providers who use the TeleClaim or TeleDent billing and communication software.

The ***Public Services and Administration Department*** is responsible for beneficiary registration services and provides information and direction on all matters pertaining to eligibility and coverage. This Department is also responsible for personnel administration, purchasing, and the provision of general administrative services.

The ***Finance Department*** is responsible for all payments made by the Commission. This includes those made to fee-for-service physicians and dentists and to hospital boards employing salaried physicians. It also includes payments to other provincial plans and reimbursements to beneficiaries for medical services received outside the province. The Department is also responsible for general administrative expenditures, maintaining all accounting records, issuing monthly financial statements, and preparation and monitoring of the Commission's annual budget.

The ***Audit Department*** is responsible for the post-payment audit of claims through ongoing review of servicing and utilization patterns. This is accomplished by analysis of provider and beneficiary profiles, randomly selected service verification, review of specialized computer reports targeting possible problem areas, and follow-up of information presented or obtained from a variety of other sources.

The ***Statistics Department*** is responsible for the overall statistical function of the Commission which includes the compilation, interpretation and reporting of statistical data, including the statistical tables presented in this Annual Report. Statistical information compiled is provided to internal departments of the Commission, the Joint Management Committee, the NLMA, and to several federal and provincial government departments involved in varying aspects of the health care spectrum.

JOINT MANAGEMENT COMMITTEE

The Joint Management Committee consists of representatives of the Newfoundland and Labrador Medical Association (NLMA) and the Government of Newfoundland and Labrador (as represented by the Department of Health, Treasury Board, the Newfoundland and Labrador Health Care Association, and the Newfoundland Medical Care Commission). The purposes of the JMC are as follows:

- to take actions to enhance the quality and effectiveness of medical care, including pursuit of more value for existing spending;
- to develop and implement effective utilization management for physician services;
- to develop and implement incentives to physicians to bring about more cost-effective and efficient delivery of health care;
- to develop strategies for improvements in the distribution of physicians across the Province;
- to discuss all issues including those of public policy concern relevant to the MCP fee schedule;
- to discuss all issues of a bilateral or multilateral nature that are relevant to the on-going relationship between the Government and the profession, and the effective operation of the health care system;
- to manage the reallocation of savings which occur as a result of specific initiatives undertaken by the Joint Management Committee in a specific action plan;
- to provide policy direction for all negotiations in respect of physician services payments including identification of critical issues requiring action; and
- to carry out such other duties as may be agreed upon between Government and the NLMA.

1996/97 ACTIVITIES

Executive

An Operational Plan was developed at the beginning of the year to identify those objectives and projects which the Commission planned to achieve during 1996/97. Several major projects were completed, as identified in the following section, and work progressed on many others.

In order to detect and recover payment for claims submitted to the Medical Care Plan which were for treatment of work-related injuries and thus the responsibility of the Workers' Compensation Commission, a claim data exchange was implemented retroactive to April 1, 1995. This has resulted in a recovery of $123,640 for claims processed in fiscal 1995/96. Further recoveries for fiscal 1996/97 are anticipated in the next fiscal year.

The Commission participated in the Program Review initiative carried out by Government. The review results were submitted to the Department of Health for incorporation into the Government-wide review of programs.

Claims Processing

During the year, the Commission processed claims from medical and dental providers resulting in the payment of 4,583,779 services.

In an effort to increase the number of physicians submitting claims electronically and to recover costs associated with the submission of paper claims, a charge of $0.25 per paper claim item was implemented in December, 1996.

Work also progressed during the year on an automated sessional claims processing system. Expected to be implemented in early fiscal 1997/98, the automated sessional system will replace the current manual claims processing system and provide improved sessional claim monitoring and auditing capabilities.

Systems

The Commission has been successful in encouraging physicians and dentists to convert to electronic claim submission. At March 31, 1997, 95% of physicians and dentists were submitting

claims electronically. Work progresses to improve the Commission's electronic claim submission facilities.

As a result of the decrease in paper claim volume, alternatives to the optical character reader, as a means of data input, were evaluated. Based on operational considerations and economics, a microcomputer-based, data entry system was determined to be the most attractive option. The facility was implemented prior to March 31, 1997.

Public Services and Administration

The Commission handled 66,700 beneficiary registration transactions from the general public, a 22% decrease from the previous year's total of 85,500 transactions. This reduction is largely attributable to a decrease in the number of name and address changes processed. During 1996/97, a total of 27,735 new and replacement cards were issued by the Commission, an 8% decrease from the previous year.

Physical and data security policies and procedures were reviewed and sessions conducted for all staff. A number of refinements to procedures were made as a result of this review.

Position descriptions for all staff were reviewed and a significant number were updated to reflect changes in job functions and responsibilities.

Finance

Government's ongoing fiscal restraint program resulted in the continuation of proration and global capping measures being applied against fee-for-service payments to physicians under the Medical Care Plan. Under these limitations, payments were reduced by $1,937,000 to stay within the fixed annual budget.

Audit

At the end of the year, there were 54 provider audits in progress. Beneficiary auditing is experiencing increased activity with 380 beneficiary audits in progress at year end. A total of $156,661 was identified for recovery from providers due to the Commission's audit activities. One audit appeal was launched during the year, and five were in progress at year end.

An amount of $260,000 was recovered in relation to third party claims.

Two audit analysts were recruited to enhance the Commission's auditing capabilities. In addition, the automated Provider Practice Profiles System was developed, thus improving the tools available to the Commission to identify potential audit areas and candidates.

Statistics

The Statistics Department participated in the development of an automated sessional claims processing system for the Claims Department and in the refinement of the Provider Practice Profiles System for the Audit Department.

Medical Services

Negotiations commenced with the medical profession, represented by the NLMA, on a major rewriting of the MCP Payment Schedule for insured medical services. Preamble language, fees, and billing rules were under discussion at year end. It is anticipated that a new payment schedule will be published in April 1998.

Dental Services

Discussions have begun with the Newfoundland Dental Association regarding the Dental Payment Schedule for insured dental services. Preamble language, fees and billing rules were under discussion at year end. It is anticipated that revisions to the Surgical-Dental and Dental Health Plan Payment Schedules will be published before the end of fiscal year 1997/98.

1996/97 OPERATIONAL PLAN

In January 1997, the Commission adopted a Mission Statement which identifies the mandate and higher level goals being pursued by the Commission. The Mission Statement also serves to ensure that objectives acted upon by internal departments are consistent with the Commission's overall purpose.

The objectives of the Commission for the fiscal year 1996/97 were outlined in a formal Operational Plan, which was developed at the beginning of the fiscal year. In the Operational Plan, each department identified projects which were to be pursued during the fiscal year to achieve the established objectives. In total, more than 30 major projects were identified, along with a number of minor projects and tasks. While most of these projects were scheduled for completion by March 31, 1997, it was recognized that many more were of a long term nature and would likely either begin or end in future years. By the end of the fiscal year, one third of all projects had been completed with significant work progressing on another 40%.

The following is a representative sample of objectives and the projects completed during the fiscal year.

The Newfoundland Medical Care Commission is a statutory public corporation whose mandate is to efficiently administer a medical care insurance program on behalf of the residents of Newfoundland and Labrador.

The Commission is committed to facilitating the delivery of comprehensive medical care to all residents of the Province by implementing policies, procedures, and systems which permit appropriate compensation to providers for their rendering of insured professional services.

The Commission shall operate in accordance with the provisions of the Medical Care Insurance Act and Regulations and in compliance with the criteria of the Canada Health Act and shall strive to excel in all of its activities.

Mission Statement of The Newfoundland Medical Care Commission

Objective	Project Completed
Implementation of an Operational Plan	Developed the formal planning process and prepared the Operational Plan
Strengthening of human resource management	Appointed a Human Resources Management Committee
Increase electronic claim submission	Increased the number of providers submitting electronic claims to 95% of all providers
Reduce NIS computer processing costs by 5%	Reduced the amount of prime time computer processing
Evaluation of optical character recognition as a primary means of data input	Conducted a feasibility study on alternatives to the OCR equipment

Objective	Project Completed
Strengthening of controls on beneficiary registration and card issuance	Developed new eligibility rules
Reduce administrative expenditures	Achieved significant reductions in salaries and benefits; consultant fees; furniture and equipment; and office supplies totalling$220,000
Maintenance of a manageable audit workload with timely completion of audits	Finalized all old audits and implemented audits in new areas
Analysis of salaried physician billings in a timely manner	Streamlined salaried physician invoice processing
Proper accounting and recording of all fixed assets	Completed numbering and recording system for all fixed assets

The preparation and execution of an Operational Plan has proven beneficial to the Commission and will be continued in future years. The identification, and subsequent accomplishment of objectives, demonstrates the Commission's commitment to conduct its operations in an efficient and effective manner that parallels the Mission Statement.

OFFICE OF THE AUDITOR GENERAL
St. John's, Newfoundland

AUDITOR'S REPORT

To the Members of the
Newfoundland Medical Care Commission
St. John's, Newfoundland

I have audited the balance sheet of the Newfoundland Medical Care Commission as at 31 March 1997 and the statement of revenue and expenditure for the year then ended. These financial statements are the responsibility of the Commission's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Commission as at 31 March 1997 and the results of its operations for the year then ended in accordance with generally accepted accounting principles.

Elizabeth Marshall

ELIZABETH MARSHALL, C.A.
Auditor General

St. John's, Newfoundland
6 June 1997

NEWFOUNDLAND MEDICAL CARE COMMISSION

BALANCE SHEET

31 MARCH 1997

	1997	1996
ASSETS		
Current		
Cash	$ 1,273,061	$ 458,648
Due from Province of Newfoundland (Note 2)	15,189,353	15,274,583
Accounts receivable	1,157,275	1,133,784
Prepaid expenses	45,663	53,461
	17,765,352	16,920,476
Capital assets (Note 3)	-	-
	$17,765,352	$16,920,476
LIABILITIES		
Current		
Accounts payable and accrued liabilities	$ 780,568	$ 726,572
Deferred revenue (Note 4)	1,000,000	-
Liability for presented and processed claims	9,914,100	9,063,780
Estimated liability for unpresented and unprocessed claims	5,599,633	5,886,025
Liability for salaried physicians	229,821	1,013,549
Liability for medical malpractice premium subsidy	241,250	230,550
	$17,765,352	$16,920,476

See accompanying notes

Signed on behalf of the Commission:

Chairperson

Member

Office of the Auditor General

NEWFOUNDLAND MEDICAL CARE COMMISSION

STATEMENT OF REVENUE AND EXPENDITURE

FOR THE YEAR ENDED 31 MARCH 1997

	1997	1996
REVENUE		
Province of Newfoundland	$149,818,770	$149,282,734
Third party recoveries	260,000	42,000
Investment income	174,616	205,064
Audit recoveries	156,641	(30,160)
Miscellaneous	64,329	24,359
	$149,674,376	$149,583,997
EXPENDITURE		
Administrative expenditure (Schedule 1)	$ 4,188,630	$ 4,494,273
Dental Health Plan	4,931,368	5,571,108
Insured services (Note 4)	111,597,899	110,165,531
Medical malpractice premium subsidy	954,587	930,809
Salaried physicians	28,041,895	28,432,256
	$149,674,376	$149,583,997

See accompanying notes

Office of the Auditor General

SCHEDULE 1

NEWFOUNDLAND MEDICAL CARE COMMISSION

SCHEDULE OF ADMINISTRATIVE EXPENDITURE

FOR THE YEAR ENDED 31 MARCH 1997

	1997	1996
Audit fees	$ 7,000	$ 13,800
Cleaning	4,581	4,783
Commission fees	16,915	23,693
Computer costs (Note 7)	1,023,334	1,069,851
Consultant fees	170,255	205,739
Electricity	10,195	10,926
Furniture and equipment	51,960	81,369
Furniture and equipment maintenance	29,418	28,338
Interest and bank charges	4,290	10,049
Leasehold improvements	4,037	7,265
Microfilming	1,932	4,986
Miscellaneous	38,390	35,500
Office rental	311,179	318,194
Office supplies	53,802	95,271
Payroll tax	38,079	40,574
Postage and telephone	139,499	146,977
Salaries and benefits	2,258,190	2,372,996
Travel	25,574	23,962
	$4,188,630	$4,494,273

See accompanying notes

Office of the Auditor General

NEWFOUNDLAND MEDICAL CARE COMMISSION

NOTES TO FINANCIAL STATEMENTS

31 MARCH 1997

Authority

The Newfoundland Medical Care Commission (the Commission) operates under the authority of the Medical Care Insurance Act. It is responsible for the administration of medical and dental care insurance programs on behalf of the residents of Newfoundland and Labrador. Commission members are appointed by the Lieutenant-Governor in Council.

1. Significant accounting policies

These financial statements have been prepared by the Commission in accordance with generally accepted accounting principles. Outlined below are the significant accounting policies followed.

(a) Capital assets

Capital assets are capitalized at cost at the time of acquisition and expensed in the year of acquisition.

(b) Severance pay

Severance pay is calculated based upon years of service and current salary levels. The entitlement to severance pay vests with employees after nine years of continuous service, and accordingly no provision has been made in the accounts for employees with less than nine years of continuous service. The amount is payable when the employee ceases employment as a public servant while still an employee of the Commission. If the employee transfers to another entity within the public service, then the liability is transferred to that entity.

2. Due from Province of Newfoundland

In accordance with Section 27 of the Medical Care Insurance Act, the Province of Newfoundland is responsible for funding the expenditures incurred by the Commission in carrying out its powers, functions and duties. Accordingly, the amount due from the Province represents the balance of funds owing by the Province to the Commission at 31 March.

3. Capital assets

	1997	1996
Furniture and equipment	$ 1,304,948	$ 1,252,988
Less : expensed in year of acquisition	1,304,948	1,252,988
	$ -	$ -

Office of the Auditor General

NEWFOUNDLAND MEDICAL CARE COMMISSION

NOTES TO FINANCIAL STATEMENTS

31 MARCH 1997

4. Deferred revenue

Deferred revenue represents revenue received from the Province of Newfoundland for the payment of incentive funding for the 1997-98 fiscal year.

5. Bank indebtedness

The Commission has an operating line of credit of $1,000,000 which was authorized by the Province. There was no balance outstanding for either the current or prior year.

6. Insured services

	1997	1996
Fee for Service - Physicians	$104,984,682	$103,415,927
Fee for Service - Out-of-Province	4,020,780	4,051,492
Incentive Fund	551,531	384,351
Sessional	1,585,374	1,772,742
Surgical Dental	415,532	541,039
	$111,557,899	$110,165,551

In accordance with Government's policy on fiscal restraint, the Commission has a global capping mechanism in place to ensure that expenditures for insured services do not exceed the fixed budget. Payments to physicians were reduced by 1.47% for the year (1996 - 1.05%).

In addition, in both 1996-97 and 1995-96, reductions were made in payments to certain physicians who exceeded stipulated levels based on a separate proration formula developed in conjunction with the Newfoundland and Labrador Medical Association.

7. Computer costs

	1997	1996
Claims processing	$ 457,387	$ 534,524
Contractual arrangements	455,891	346,696
Development	59,950	119,856
Rental	50,106	68,775
	$1,023,334	$1,069,851

Office of the Auditor General

NEWFOUNDLAND MEDICAL CARE COMMISSION

NOTES TO FINANCIAL STATEMENTS

31 MARCH 1997

8. Pensions

The Commission and its staff are subject to the Public Service Pensions Act, 1991. Employee contributions are matched by the Commission and then remitted to the Province of Newfoundland Pooled Pension Fund from which pensions will be paid to employees when they retire. The Commission's share of pension contributions for 1997 was $107,665 (1996 - $111,237).

9. Economic dependence

As a result of the Commission's reliance on Provincial funding, the Commission's ability to continue viable operations is dependent upon the decisions of the Province.

10. Income taxes

The Commission is a Crown entity of the Province of Newfoundland and as such is not subject to Provincial or Federal income taxes.

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TABLE 1

Payments By Type And Specialty

Specialty	Number Of Providers *	Fee-For-Service Payments ($000)	Sessional Payments ($000)	Proration & Capping Reductions ($000)	Totals ($000)	% Of Payments
General Practice	**424**	**44,392**	**870**	**(688)**	**44,574**	**40.4**
Anaesthesia	**38**	**5,500**	**156**	**(83)**	**5,573**	**5.0**
Certified	32	4,914	156	(74)	4,996	4.5
Non-Certified	6	586	-	(9)	577	0.5
Radiology	**50**	**9,328**	**-**	**(188)**	**9,140**	**8.3**
Certified	34	7,028	-	(154)	6,874	6.2
Non-Certified	16	2,300	-	(34)	2,266	2.1
Medical Specialties	**158**	**23,489**	**546**	**(358)**	**23,677**	**21.4**
Dermatology	6	1,135	-	(17)	1,118	1.0
Internal Medicine	74	13,508	163	(198)	13,473	12.2
Neurology	9	984	27	(14)	997	0.9
Paediatrics	36	2,546	343	(42)	2,847	2.6
Psychiatry	33	5,316	13	(87)	5,242	4.7
Surgical Specialties	**104**	**23,294**	**163**	**(620)**	**22,837**	**20.7**
Obstetrics/Gynaecology	22	4,335	-	(64)	4,271	3.9
Ophthalmology	13	3,911	-	(175)	3,736	3.4
Otolaryngology	8	2,387	20	(58)	2,349	2.1
Surgery - General	35	6,694	76	(227)	6,543	5.9
- Neuro	3	866	1	(22)	845	0.8
- Orthopaedic	14	2,830	59	(42)	2,847	2.6
- Plastic	2	451	-	(6)	445	0.4
Urology	7	1,820	7	(26)	1,801	1.6
Sub-Totals	**774**	**106,003**	**1,735**	**(1,937)**	**105,801**	**95.8**
Dental Surgery	29	335	11	-	346	0.3
Out of Province	-	4,243	-	-	4,243	3.9
TOTALS	**803**	**110,581**	**1,746**	**(1,937)**	**110,390**	**100.0**

** All fee-for-service providers who received an MCP payment during the fiscal year.*

Totals include locums, on-site emergency and in-hospital diagnostic services coverage.

TABLE 2

Average Annual Fee-For-Service Payments

Specialty	Full Time [1]		Active [2]		All Providers [3]	
	Number Of Providers	Average Payments ($000)	Number Of Providers	Average Payments ($000)	Number Of Providers	Average Payments ($000)
General Practice	**223**	**157**	**267**	**149**	**424**	**103**
St. John's	92	141	104	135	188	85
Eastern	53	174	65	163	95	122
Central	39	153	46	149	65	111
Western	35	180	46	164	58	136
Northern	4	157	6	132	18	58
Anaesthesia	**17**	**193**	**33**	**160**	**38**	**143**
Certified	16	186	30	161	32	151
Non-Certified	1	*	3	156	6	96
Radiology	**24**	**261**	**38**	**234**	**50**	**183**
Certified	17	279	28	242	34	202
Non-Certified	7	218	10	211	16	142
Medical Specialties	**46**	**256**	**103**	**203**	**158**	**146**
Dermatology	3	323	4	260	6	186
Internal Medicine	29	272	54	229	74	180
Neurology	2	174	5	144	9	108
Paediatrics	1	*	13	138	36	70
Psychiatry	11	221	27	185	33	158
Surgical Specialties	**61**	**284**	**85**	**255**	**104**	**218**
Obstetrics/Gynaecology	10	270	19	222	22	194
Ophthalmology	11	319	12	311	13	287
Otolaryngology	6	350	7	332	8	291
Surgery - General	17	269	24	245	35	185
- Neuro	1	*	3	282	3	282
- Orthopaedic	10	226	12	216	14	199
- Plastic	1	*	1	*	2	222
Urology	5	288	7	256	7	256
All Specialties	**148**	**261**	**259**	**219**	**350**	**173**
All Physicians	**371**	**199**	**526**	**184**	**774**	**134**

1. All fee-for-service providers who received a minimum of 22 regular bi-weekly payments totalling more than $75,000. A regular bi-weekly payment is one which is greater than half of the average bi-weekly payment for the fiscal year.
2. All fee-for-service providers who received a minimum of $5,000 in the fourth quarter.
3. All fee-for-service providers who received a fee-for-service payment from MCP during the year.

* *Single physician specialty.*

Above figures denote levels of providers' MCP income minus proration and capping reductions and before payment of office and other overhead expenses.

TABLE 3

Units Of Services By Specialty And Type

Specialty	Consultations & Assessments	Office Visits	Home Visits	Hospital Visits	Diagnostic & Therapeutic Procedures	Obstetrics	General Surgery *	Dental Surgery *	Totals	% Of Totals
General Practice	**65,362**	**1,942,192**	**170,274**	**310,478**	**200,626**	**7,600**	**85,910**	**67**	**2,782,509**	**55.7**
Anaesthesia	**1,615**	**384**	**-**	**2,547**	**64,994**	**24,087**	**181,182**	**7,820**	**282,629**	**5.6**
Certified	1,395	-	-	2,547	53,369	18,733	163,846	6,763	246,653	4.9
Non-Certified	220	384	-	-	11,625	5,354	17,336	1,057	35,976	0.7
Radiology	**-**	**-**	**-**	**-**	**601,382**	**138**	**-**	**-**	**601,520**	**12.0**
Certified	-	-	-	-	412,523	138	-	-	412,661	8.2
Non-Certified	-	-	-	-	188,859	-	-	-	188,859	3.8
Medical Specialties	**147,020**	**73,107**	**3,014**	**222,035**	**327,146**	**-**	**34,799**	**-**	**807,121**	**16.1**
Dermatology	12,592	10,984	-	746	8,959	-	4,975	-	38,256	0.8
Internal Medicine	88,271	21,238	57	112,152	211,793	-	29,052	-	462,563	9.2
Neurology	10,326	173	4	4,499	8,010	-	76	-	23,088	0.5
Paediatrics	20,792	3,627	932	19,834	96,416	-	696	-	142,297	2.8
Psychiatry	15,039	37,085	2,021	84,804	1,968	-	-	-	140,917	2.8
Surgical Specialties	**199,293**	**59,668**	**25**	**59,883**	**90,656**	**7,854**	**105,641**	**3,206**	**526,226**	**10.6**
Obstetrics/Gynaecology	27,728	24,481	-	5,702	6,904	7,854	18,645	-	91,314	1.8
Ophthalmology	39,989	8,331	2	878	14,794	-	9,718	-	73,712	1.5
Otolaryngology	25,707	13,742	-	5,900	60,308	-	16,484	-	122,141	2.4
Surgery - General	42,880	6,696	4	29,923	4,651	-	38,470	-	122,624	2.5
- Neuro	4,146	28	-	5,496	125	-	1,286	-	11,081	0.2
- Orthopaedic	35,713	5,358	19	6,847	2,441	-	7,163	-	57,541	1.2
- Plastic	4,228	-	-	743	339	-	2,355	-	7,665	0.2
- Dental	-	-	-	-	-	-	-	3,206	3,206	0.1
Urology	18,902	1,032	-	4,394	1,094	-	11,520	-	36,942	0.7
TOTALS	**413,290**	**2,075,351**	**173,313**	**594,943**	**1,284,804**	**39,679**	**407,532**	**11,093**	**5,000,005**	**100.0**
% Of Totals	**8.3**	**41.5**	**3.5**	**11.9**	**25.7**	**0.8**	**8.1**	**0.2**	**100.0**	

** Includes time units for anaesthetists and surgical assistants.*

TABLE 4

Level Of Annual Payments To Full-Time Fee-For-Service Physicians

Specialty	Up To $100,000	$100,001 - 200,000	$200,001 - 300,000	$300,001 - 400,000	$400,001 - 500,000	>$500,000	Totals
General Practice	29	143	49	2	-	-	223
Anaesthesia	-	10	6	-	-	-	17
Certified	-	10	6	-	-	-	16
Non-Certified	-	-	-	-	-	-	1 *
Radiology	-	6	11	5	2	-	24
Certified	-	4	7	4	2	-	17
Non-Certified	-	2	4	1	-	-	7
Medical Specialties	1	12	16	14	2	-	46
Dermatology	-	-	1	2	-	-	3
Internal Medicine	1	5	12	9	2	-	29
Neurology	-	2	-	-	-	-	2
Paediatrics	-	-	-	-	-	-	1 *
Psychiatry	-	5	3	3	-	-	11
Surgical Specialties	2	9	26	16	6	-	61
Obstetrics/Gynaecology	-	-	8	2	-	-	10
Ophthalmology	1	1	2	4	3	-	11
Otolaryngology	-	-	1	4	1	-	6
Surgery - General	1	2	9	3	2	-	17
- Neuro	-	-	-	-	-	-	1 *
- Orthopaedic	-	5	4	1	-	-	10
- Plastic	-	-	-	-	-	-	1 *
Urology	-	1	2	2	-	-	5
TOTALS	32	180	108	37	10	-	371
% Of Totals	8.6	48.8	29.4	10.2	3.0	-	100.0

** Single physician specialty.*

Above figures denote levels of providers' MCP income minus proration and capping reductions and before payment of office and other overhead expenses.

TABLE 5

Providers By Medical Region Registered With MCP As At March 31, 1997

Region	General Practice			Specialists					
	Fee-For-Service	Salaried	Full-Time Teaching	Fee-For-Service	Salaried	Full-Time Teaching	Administration	Total Physicians	Dentists
St. John's	127	25	15	169	14	81	12	443	71
Avalon	14	8	-	-	-	-	-	22	2
Trinity/Conception	33	5	4	7	2	-	-	51	10
Burin	9	14	-	3	-	-	-	26	4
Clarenville	19	9	-	2	2	-	-	32	3
Gander & District	19	16	-	10	3	-	1	49	8
Central Newfoundland	23	14	-	22	2	-	1	62	8
Western Newfoundland	33	17	-	25	5	-	1	81	15
Stephenville	8	9	-	4	2	-	-	23	4
Port Aux Basques	2	4	-	-	-	-	-	6	1
St. Anthony/Goose Bay	4	33	-	1	5	-	-	43	24
Port Saunders	1	2	-	-	-	-	-	3	-
Baie Verte	4	-	-	-	-	-	-	4	2
Green Bay	6	-	-	-	-	-	-	6	1
Notre Dame Bay	3	3	-	-	-	-	-	6	2
Labrador City/Wabush	6	-	-	1	2	-	-	9	4
Buchans	-	3	-	-	-	-	-	3	-
TOTALS	**311**	**162**	**19**	**244**	**37**	**81**	**15**	**869**	**159**

Providers By Activity Status As At March 31, 1997

Specialty	Fee-For-Service	Salaried	Full-Time Teaching	Administration	Totals
General Practice	311	162	19	13	505
Anaesthesia	28	16	8	-	52
Certified	26	3	7	-	36
Non-Certified	2	13	1	-	16
Radiology	38	5	1	-	44
Certified	27	2	1	-	30
Non-Certified	11	3	-	-	14
Medical Specialties	97	14	55	1	167
Dermatology	5	-	-	-	5
Internal Medicine	49	8	26	-	83
Neurology	3	1	5	-	9
Pediatrics	15	3	17	-	35
Psychiatry	25	2	7	1	35
Surgical Specialties	81	2	17	1	101
Obstetrics/Gynaecology	12	-	8	-	20
Ophthalmology	12	-	-	-	12
Otolaryngology	7	-	-	-	7
Surgery - General	24	2	8	1	35
- Neuro	3	-	-	-	3
- Orthopaedic	14	-	-	-	14
- Plastic	3	-	-	-	3
Urology	6	-	1	-	7
TOTALS	555	199	100	15	869
Dentists	142	16	-	1	159
General Dentistry	129	16	-	1	146
Oral Surgery	3	-	-	-	3
Orthodontics	6	-	-	-	6
Periodontics	1	-	-	-	1
Pedodontics	1	-	-	-	1
Endodontics	2	-	-	-	2

TABLE 7

Services And Payments By Sex And Age Group

Age Groups	Male						Female						Totals					
	Services (000)	%	Payments ($000)	%	Patients (000)	%	Services (000)	%	Payments ($000)	%	Patients (000)	%	Services (000)	%	Payments ($000)	%	Patients (000)	%
0 - 4	105	6.1	2,388	5.3	12	5.9	92	3.7	2,014	3.3	11	4.6	197	4.7	4,402	4.2	23	5.2
5 - 9	93	5.4	2,013	4.5	15	7.4	83	3.3	1,706	2.8	14	5.8	176	4.2	3,719	3.5	29	6.5
10 - 14	77	4.5	1,701	3.8	15	7.4	76	3.0	1,620	2.6	14	5.8	153	3.6	3,321	3.1	29	6.5
15 - 19	81	4.7	1,789	4.0	16	7.8	123	4.9	2,676	4.4	18	7.5	204	4.8	4,465	4.2	34	7.6
20 - 24	70	4.1	1,598	3.6	14	6.9	160	6.4	3,617	5.9	19	7.9	230	5.4	5,215	4.9	33	7.4
25 - 29	68	3.9	1,562	3.5	13	6.4	182	7.3	4,448	7.3	19	7.9	250	5.9	6,010	5.7	32	7.2
30 - 34	88	5.1	2,037	4.5	14	6.9	210	8.4	5,207	8.5	20	8.3	298	7.1	7,244	6.8	34	7.6
35 - 39	105	6.1	2,492	5.6	15	7.4	199	8.0	4,747	7.8	20	8.3	304	7.2	7,239	6.8	35	7.9
40 - 44	124	7.2	2,979	6.6	16	7.8	201	8.1	4,734	7.7	20	8.3	325	7.7	7,713	7.3	36	8.1
45 - 49	133	7.7	3,290	7.3	16	7.8	201	8.1	4,756	7.8	18	7.5	334	7.9	8,046	7.6	34	7.6
50 - 54	131	7.6	3,495	7.8	13	6.4	183	7.3	4,356	7.1	15	6.2	314	7.4	7,851	7.4	28	6.3
55 - 59	111	6.4	3,051	6.8	10	4.9	134	5.4	3,259	5.3	11	4.6	245	5.8	6,310	6.0	21	4.7
60 - 64	113	6.6	3,235	7.2	9	4.4	123	4.9	3,157	5.2	9	3.7	236	5.6	6,392	6.0	18	4.0
65 - 69	113	6.6	3,465	7.7	8	3.9	124	5.0	3,345	5.5	9	3.7	237	5.6	6,810	6.4	17	3.8
70 - 74	111	6.4	3,505	7.8	7	3.4	121	4.8	3,404	5.6	8	3.3	232	5.5	6,909	6.5	15	3.4
75 - 79	102	5.9	3,186	7.1	6	2.9	120	4.8	3,461	5.7	7	2.9	222	5.3	6,647	6.3	13	2.9
80 - 84	59	3.4	1,817	4.1	3	1.5	88	3.5	2,541	4.2	5	2.1	147	3.5	4,358	4.1	8	1.8
85 +	40	2.3	1,222	2.7	2	1.0	77	3.1	2,130	3.5	4	1.7	117	2.8	3,352	3.2	6	1.3
TOTALS	1,724		44,825		204		2,497		61,178		241		4,221		106,003		445	
% Of Totals	40.8		42.3		45.8		59.2		57.7		54.2							

This table reflects fee-for-service payments and services only.

Population, Payment And Service Statistics

Age Groups	Population* (000)	Payments		Services		Percentages		
		Amount ($000)	Average Per Capita ($)	Number (000)	Average Per Capita	Populations	Payments	Services
0 - 4	31.9	4,402	138	197	6	5.6	4.2	4.7
5 - 9	36.7	3,719	101	176	5	6.4	3.5	4.2
10 - 14	43.0	3,321	77	153	4	7.5	3.1	3.6
15 - 19	44.7	4,465	100	204	5	7.8	4.2	4.8
20 - 24	46.6	5,215	112	230	5	8.2	4.9	5.5
25 - 29	45.3	6,010	133	250	6	7.9	5.7	5.9
30 - 34	47.1	7,244	154	298	6	8.3	6.8	7.1
35 - 39	48.0	7,239	151	304	6	8.4	6.8	7.2
40 - 44	46.9	7,713	164	325	7	8.2	7.3	7.6
45 - 49	42.5	8,046	189	334	8	7.4	7.6	7.9
50 - 54	32.4	7,851	242	314	10	5.7	7.4	7.4
55 - 59	24.4	6,310	259	245	10	4.3	6.0	5.8
60 - 64	20.9	6,392	306	236	11	3.7	6.0	5.6
65 - 69	18.6	6,810	366	237	13	3.3	6.4	5.6
70 - 74	15.9	6,909	434	232	15	2.8	6.5	5.5
75 - 79	12.4	6,647	536	222	18	2.2	6.3	5.3
80 - 84	8.0	4,358	545	147	18	1.4	4.1	3.5
85 +	5.4	3,352	621	117	22	0.9	3.2	2.8
TOTALS	570.7	106,803	186	4,221	7	100.0	100.0	100.0

* *Source: Newfoundland Statistics Agency*

This table reflects fee-for-service payments and services relative to age groups. Services rendered by salaried physicians are excluded in the per capita analysis.

TABLE 9

Patient Utilization Levels

Services Per Patient		Number Of Physicians Seen								
		1	2	3	4 - 6	7 - 10	11 - 14	15 +	Totals	%
1 - 5	Patients	115,263	67,858	27,103	7,242	-	-	-	217,466	48.6
	Services	216,735	218,552	110,638	33,837	-	-	-	579,762	
6 - 10	Patients	9,170	23,219	29,321	38,493	1,235	-	-	101,438	22.7
	Services	66,694	171,486	222,687	310,703	11,426	-	-	782,996	
11 - 15	Patients	2,028	5,613	9,455	28,888	6,546	67	-	52,377	11.7
	Services	25,322	67,557	118,689	368,540	86,905	675	-	667,688	
16 - 20	Patients	496	1,616	2,988	14,679	8,564	357	2	28,502	6.4
	Services	8,718	28,371	52,451	256,611	153,831	6,621	35	506,641	
21 - 25	Patients	189	516	1,023	6,557	7,144	924	23	16,376	3.7
	Services	4,310	11,610	23,068	148,687	163,527	21,439	533	373,184	
26 - 30	Patients	96	207	423	2,842	4,919	1,416	91	9,994	2.2
	Services	2,642	5,716	11,676	78,485	136,987	39,747	2,613	277,864	
31 - 35	Patients	42	91	197	1,324	2,925	1,630	190	6,199	1.4
	Services	1,377	2,998	6,434	43,324	95,883	47,174	6,326	203,596	
36 - 40	Patients	22	55	88	630	1,726	1,215	306	4,042	0.9
	Services	837	2,110	3,341	23,934	65,132	46,111	11,660	153,125	
41 - 45	Patients	21	42	51	348	939	956	362	2,709	0.6
	Services	989	1,801	2,187	14,875	39,332	41,025	15,506	115,715	
46 - 50	Patients	41	23	36	212	527	653	389	1,901	0.4
	Services	1,986	1,595	1,744	10,132	25,691	31,277	18,676	91,501	
50 +	Patients	45	68	111	674	1,121	1,519	2,966	6,324	1.4
	Services	3,003	4,113	7,019	32,076	76,930	102,119	244,223	469,503	
TOTALS	Patients	127,413	99,116	70,796	101,409	35,637	8,537	4,349	447,257	
	Services	332,533	515,809	559,854	1,321,307	865,662	336,178	299,482	4,221,815	

Payments To Salaried Physicians

Board	Number Of Approved Positions	Total Payments ($000)
Health Care Corporation of St. John's	55	4,105
Newfoundland Cancer Treatment and Research Foundation	11	1,040
Avalon Health Care Institutions Board	19	1,457
Peninsulas Health Care Corporation	48	4,836
Central East Health Care Institutions Board	53	4,003
Central West Health Care Institutions Board	37	2,422
Western Health Care Corporation	64	5,826
Grenfell Regional Health Services Board	35	2,859
Health Labrador Corporation	23	2,289
TOTALS	**345**	**28,837**

Dental Health Plan Summary Of Payments By Age Group

Age	Examinations ($000)	Fluoride Treatments ($000)	Prophylaxis Treatments ($000)	Fillings & Crowns ($000)	Extractions ($000)	Appliances ($000)	X-rays ($000)	Pulpotomies ($000)	Other ($000)	Totals ($000)	Co-pay ($000)
<1	-	-	-	-	-	-	-	-	-	-	-
1	1	-	-	-	-	1	-	-	-	2	-
2	5	-	-	2	1	-	-	-	-	8	-
3	21	-	5	16	4	-	-	1	-	48	1
4	45	-	22	61	9	-	1	5	-	146	3
5	68	-	43	126	13	-	3	10	-	269	6
6	79	4	61	154	17	-	6	14	-	342	7
7	89	26	90	192	29	-	10	19	-	464	9
8	87	29	95	193	33	-	13	14	-	471	7
9	88	31	99	197	36	1	16	13	1	489	7
10	89	31	99	176	34	3	16	5	4	463	6
11	93	32	108	161	39	3	17	3	6	467	5
12	93	33	119	179	39	-	20	1	7	496	5
13	89	32	123	228	42	6	23	1	8	557	5
14	19	6	25	77	9	7	6	-	1	154	4
15	4	-	-	31	3	6	1	-	-	49	4
16	4	-	-	34	5	2	2	-	1	53	5
17	3	-	-	28	4	3	1	-	-	43	4
18	3	-	-	25	5	4	2	-	-	43	4
19	2	-	-	7	5	-	1	-	-	17	2
20 - 29	24	-	-	2	88	1	6	-	-	136	15
30 - 39	17	-	-	1	86	-	5	-	-	127	18
40 - 49	9	-	-	-	58	-	2	-	-	82	13
50 - 59	3	-	-	-	24	-	1	-	-	34	6
60 +	1	-	-	-	9	-	-	-	-	12	2
TOTALS	**936**	**224**	**889**	**1,890**	**592**	**37**	**152**	**86**	**28**	**4,972**	**138**
Units Of Service (In 000's)	**80**	**24**	**35**	**54**	**27**	**-**	**12**	**3**	**-**	**235**	

TABLE 12

Processing Statistics

	1996/97	% of Total	1995/96	% of Total
In-Province Claims				
Claim items received				
Paper	676,935	16.3	1,140,122	25.3
Electronic	3,478,535	83.7	3,366,456	74.7
Total Claim Items Received	**4,155,470**	**100.0**	**4,506,578**	**100.0**
Rejected claim items				
at Entry and Validation	150,757		200,256	
at Assessment	166,111		179,766	
Total Claim Items Rejected	**316,868**		**380,022**	
Items of service processed and paid	4,455,621		4,488,572	
Out-Of-Province (Medical)				
Items of service processed				
Reciprocal Billing *	121,348		123,345	
Patient Claims	6,810		7,589	
Average Cost Per Service				
General Practice	$ 17.42		$ 17.37	
Radiology	$ 16.12		$ 15.74	
Other Specialties	$ 47.80		$ 47.94	
Dental Surgery	$ 190.77		$ 194.61	
Out-of-Province	$ 37.79		$ 42.41	
Total Average Cost	$ 25.19		$ 24.98	
Beneficiary Registration				
Newborns	6,637		7,087	
Canadian Residents (other Provinces)	7,387		7,034	
Non-Canadian Residents	768		907	
Card Replacements	9,034		9,780	
Name and Address Changes	24,175		38,093	
Eligibility Changes	140		162	
Terminations	18,567		22,417	

* Number of records for reciprocal (Home) billing for 1995/96 has been restated.

Summary Of Costs Based On Audited Financial Statements

Year	Insured Medical Services ($000)	Payments To Salaried Physicians ($000)	Dental Health Plan ($000)	Administration ($000)	Totals ($000)
1991/92	104,708	23,001	7,299	4,755	139,763
1992/93	107,189	25,563	6,383	4,961	144,096
1993/94	106,594	26,271	5,643	4,419	142,927
1994/95	109,150	27,128	5,706	4,557	146,541
1995/96	111,087	28,432	5,571	4,494	149,584
1996/97	112,513	28,041	4,931	4,189	149,674

mcp

Newfoundland Medical Care Commission

1996/97 ANNUAL REPORT

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